



STAFF REPORT

DATE: OCTOBER 4, 2011
TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ROD FOSTER, CITY MANAGER
PREPARED BY: ARTHUR W. MORGAN, REDEVELOPMENT MANAGER
SUBJECT: APPROVE AMENDMENT NO. 1 TO THE SAN BERNARDINO VALLEY ENTERPRISE ZONE MEMORANDUM OF UNDERSTANDING

RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. R-91-11, approving Amendment No. 1 to the San Bernardino Valley Enterprise Zone ("SBVEZ") Memorandum of Understanding ("MOU").

GOAL STATEMENT

The proposed action will support the City's goal to more efficiently serve the needs of the businesses in Colton.

BACKGROUND

On August 15, 2006, the City Council approved No. Resolution R-108-06, authorizing the execution of a Memorandum of Understanding (MOU) between the cities of Colton and San Bernardino, the County of San Bernardino and the Inland Valley Development Agency (IVDA), to enable an application for a new multi-jurisdictional enterprise zone, the San Bernardino Valley Enterprise Zone (SBVEZ).

Application for a new zone was made and the new SBVEZ received final designation on March 5, 2009, retroactive to the date of the expiration of the Agua Mansa Enterprise Zone in October, 2006. On April 19, 2011, the City Council approved Resolution No. R-34-11, authorizing a request to expand the boundaries of the SBVEZ, including an addition of 374 acres of property in the City of Colton. That request is being sent to the California Department of Housing and Community Development (HCD) for approval.

ISSUES/ANALYSIS

To more efficiently manage the operation of the SBVEZ, the Zone Coordinators and Economic Development Directors in each city and entity have recommended an amendment to the MOU, changing zone management from the County of San Bernardino to the City of San Bernardino

and clarifying the requirement that each of the member entities provide an individual to serve as the Zone Coordinator for that city.

FISCAL IMPACTS

This action does not change any current financial requirement associated with being a member entity in the SBVEZ, therefore, there is no fiscal impact to the City.

ALTERNATIVES

1. Provide alternative direction to staff.

ATTACHMENTS

Resolution No. R-91-11
Amendment No. 1 to SBVEZ MOU

RESOLUTION NO. R-91-11

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLTON
APPROVING AMENDMENT NO. 1 TO THE 2006 MEMORANDUM OF
UNDERSTANDING BY AND AMONG THE CITIES OF COLTON AND SAN
BERNARDINO, THE COUNTY OF SAN BERNARDINO AND THE INLAND
VALLEY DEVELOPMENT AGENCY FOR THE SAN BERNARDINO VALLEY
ENTERPRISE ZONE**

WHEREAS, on April 15, 2006, the City Council of the City of Colton adopted its Resolution No. R-108-06, authorizing the preparation and submittal of a multi-jurisdiction application to the State of California Department of Housing and Community Development ("HCD"), for designation of the San Bernardino Valley Enterprise Zone ("SBVEZ"); and

WHEREAS, jurisdictions identified in the application included the City of San Bernardino ("City"), the City of Colton, ("Colton"), the County of San Bernardino ("County"), and the Inland Valley Development Agency ("IVDA"), collectively referred to as the "Parties"; and

WHEREAS, the purpose of the enterprise zone program is to stimulate business and industrial growth in depressed areas of the State of California by providing monetary incentives to businesses that create economic activity within the zones and relaxing regulatory controls that impede private investment; and

WHEREAS, on August 15, 2006, the City of Colton authorized a Memorandum of Understanding ("MOU") by and among the Parties setting forth each Parties' duties and responsibilities in managing the SBVEZ; and

WHEREAS, on March 5, 2009, HCD issued the SBVEZ final designation status with a retroactive effective date of October 15, 2006; and

WHEREAS, the Parties to the MOU have been jointly managing the administration and sharing in the marketing responsibilities of the SBVEZ in accordance with the provisions of the MOU; and

WHEREAS, the Parties to the MOU collectively agree that certain modifications to the duties and responsibilities for each jurisdiction should be made in order to more efficiently manage the SBVEZ in furtherance of the common goals of the Parties in the form of Amendment No. 1 to the MOU, attached to this Resolution as Exhibit A ("Amendment No. 1"); and

WHEREAS, the Parties collectively agree that the City of San Bernardino shall, either directly or through its designee, act as the Zone Manager and the Vouchering Agent for the SBVEZ, responsible for all duties, responsibilities and funding identified and associated with those positions.

**NOW, THEREFORE, THE CITY OF COLTON DOES HEREBY RESOLVE AND
FIND, AS FOLLOWS:**

SECTION 1. Recitals. The recitals preceding this Resolution are true and correct and are incorporated into this Resolution.

SECTION 2. CEQA. Amendment No. 1 to the MOU is an administrative action that does not involve any commitment to any specific project and, as a result, is not a “project” pursuant to Section 15378(b)(4) of the State CEQA Guidelines (Title 14 California Code of Regulations Sections 15000, *et seq.*). Therefore, Staff has determined that approval of Amendment No. 1 is exempt from environmental review under CEQA.

SECTION 3. Approval of Amendment No. 1 to the MOU. The City of Colton approves Amendment No. 1 to the MOU, in the form attached to this Resolution as Exhibit “A” and authorizes the City Manager to sign such Amendment No. 1 on behalf of the City of Colton and perform the obligations of the City of Colton pursuant to the MOU as amended by Amendment No. 1.

SECTION 4. Effectiveness. This Resolution shall take effect immediately upon its adoption.

SECTION 5. Notice of Determination. Staff is directed to file a Notice of Exemption under CEQA with the San Bernardino County Clerk within five (5) days following the date of adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 4th day of October, 2011.

SARAH S. ZAMORA, Mayor

ATTEST:

EILEEN GOMEZ, CMC, City Clerk

EXHIBIT "A"

AMENDMENT NO. 1

**TO THE 2006 MEMORANDUM OF UNDERSTANDING BY AND AMONG THE
CITIES OF COLTON AND SAN BERNARDINO, THE COUNTY OF SAN
BERNARDINO AND THE INLAND VALLEY DEVELOPMENT AGENCY FOR
THE SAN BERNARDINO VALLEY ENTERPRISE ZONE**

**AMENDMENT NO. 1
TO THE
2006 MEMORANDUM OF UNDERSTANDING
BY AND AMONG THE CITIES OF COLTON AND SAN BERNARDINO,
THE COUNTY OF SAN BERNARDINO AND
THE INLAND VALLEY DEVELOPMENT AGENCY FOR THE
SAN BERNARDINO VALLEY ENTERPRISE ZONE**

This Amendment No. 1 (this "Amendment No. 1") to that certain above-referenced Memorandum of Understanding (the "MOU"), is dated as of October 4, 2011, by and among the Inland Valley Development Agency (the "IVDA"), the City of San Bernardino ("City"), the City of Colton, ("Colton"), and the County of San Bernardino ("County"), collectively the "Parties", with reference to the following facts:

WHEREAS, on August 23, 2006, the other Parties, authorized the submittal of a multi-jurisdiction application among the IVDA, City of San Bernardino, City of Colton, and the County of San Bernardino to the California State Department of Housing and Community Development ("HCD") for designation of the San Bernardino Valley Enterprise Zone ("SBVEZ"); and

WHEREAS, in August, 2006, the partner agencies each authorized a Memorandum of Understanding ("MOU") by and among the Parties setting forth each Parties duties and responsibilities in managing the SBVEZ, as on file with the Clerk of the Board of the County; and

WHEREAS, on March 5, 2009, the HCD issued the SBVEZ final designation status with a retroactive date effective date of October 15, 2006; and

WHEREAS, it has been determined that the duties and responsibilities of the Parties should be modified in order to more efficiently manage the SBVEZ in furtherance of the common goals of the Parties.

NOW THEREFORE THE PARTIES MUTUALLY AGREE TO THE PROVISIONS SET FORTH HEREIN:

Section 1. The Parties hereby agree that the facts and circumstances set forth in the Recitals hereof are true and correct in all respects.

Section 2. Section IV (A) of the MOU is hereby amended to read as follows:

d. The City of San Bernardino, either directly or through its designee, agrees to act as and provide an individual to serve as the Zone Manager.

e. The City of San Bernardino, either directly or through its designee, agrees to act as Vouchering Agent for the SBVEZ.

f. The City of San Bernardino, either directly or through its designee, the County of San Bernardino, the City of Colton and the IVDA each agree to provide an individual, selected by each said Agency, to serve as a Zone Coordinator for each respective party.

Section 3. Section XI of the MOU is hereby amended to read as follows:

Notices shall be delivered to the Parties as follows:

City of Colton:

City Manager's Office
Attn: Redevelopment Manager
650 North La Cadena Drive, Colton, CA 92324
Phone (1): (909) 370-6170
Phone (2): (909) 370-6176
Fax: (909) 783-0875

City of San Bernardino:

City Manager's Office
Attn: City Manager
300 North "D" Street, 6th Floor
San Bernardino, CA 92408
Telephone: (909) 384-5122
Fax: (909) 384-5138

Copy to:

Economic Development Agency
Attention: Economic Development Manager
201 North "E" Street, Suite 301
San Bernardino, CA 92401
Telephone: (909) 663-1044
Fax: (909) 663-2294

County of San Bernardino:

Economic Development Agency
385 North Arrowhead Avenue, 3rd Floor
San Bernardino, CA 92415
Telephone: (909) 387-9801
Fax: (909) 387-4415

Inland Valley Development Agency:

Department of Strategic Programs
294 S. Leland Norton Way, Suite 1
San Bernardino, CA 92408
Telephone: (909) 382-4100
Fax: (909) 382-4106

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Inland Valley Development Agency, the City of San Bernardino, the City of Colton, and the County of San Bernardino, by and through the signatures of their duly authorized representatives below, have duly executed this Amendment No. 1. This

Amendment No. 1 is dated, and is effective, as of the date set forth in the introductory paragraph hereof.

Dated: _____

INLAND VALLEY DEVELOPMENT AGENCY

By: _____
Patrick J. Morris, Co-Chair

By: _____
Josie Gonzales, Co-Chair

ATTEST:

By: _____
Kelly Berry, Clerk of the Board

Approved as to Form:

By: _____
General Counsel

Dated: _____

CITY OF SAN BERNARDINO

By: _____
Charles McNeely, City Manager

Approved as to Form:

By: _____
Legal Counsel

Dated: _____

CITY OF COLTON

By: _____
Sarah S. Zamora, Mayor

Approved as to Form:

By: _____
Legal Counsel

Dated: _____

COUNTY OF SAN BERNARDINO

By: _____

Josie Gonzales, Chair
Board of Supervisors

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIRMAN OF THE BOARD

LAURA H. WELCH
Clerk of the Board of Supervisors
of the County of San Bernardino

By: _____

Dated: _____

APPROVED AS TO LEGAL FORM
JEAN-RENE BASLE
County Counsel

By: _____
Michelle D. Blakemore
Chief Assistant County Counsel